

File for 501(c)4 Tax-Exempt Status

A community association should consider tax-exempt status by filing for 501(c)4 status with the IRS. To be eligible, a civic organization must be operated exclusively for the promotion of social welfare and not organized for profit.

Unlike 501(c)3 status, which is talked about next, an 501(c)4 organization may be politically active. Also, contributions to a 501(c)4 are not deductible.

The following are excellent online resources for learning more about 501(c)4 status:

<http://www.irs.gov/charities/nonprofits/article/0,,id=96178,00.html>

http://nonprofitmanagement.suite101.com/article.cfm/what_is_a_501c4_organization